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* *Refer to note on page 3.*

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PLEASE NOTE: On June 16, 2005, the government ministries were re-organized to reflect the new cabinet responsibilities. Many of the website addresses and links in this printed report may have changed following the government re-organization.

- A list of the new ministries is available on the government website at http://www.gov.bc.ca — follow the links to Ministries and Organizations.
- An index of all 2004/05 Annual Service Plan Reports, with up-to-date website links, is available online at http://www.bcbudget.gov.bc.ca/annualreports/ .

Message from the Chair and Accountability Statement

The Forest Practices Board has adopted four strategic directions to govern our response to the context of changing forest practices regulation in British Columbia.

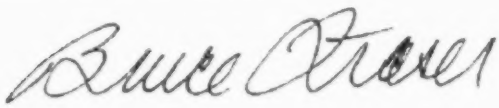
1. Promote stewardship of the full range of forest values that reflect the broad public interest in forest lands.
2. Contribute to the development of objectives, management strategies and forest practices that are reflected in measurable performance standards.
3. Provide independent assessments of the effectiveness of forest practices based on a continuing commitment to field work.
4. Contribute to an active public dialogue to enhance understanding of the changing legislation and forest management practices that affect forest values.

The Forest Practices Board, acting as a steward of the public interest, has an important role to play in the implementation of the new *Forest and Range Practices Act* (FRPA). Under the previous Forest Practices Code, the regulatory regime mandated specific practices and the Board evaluated degrees of compliance with the legal prescriptions. Under the new legislation, the regulatory regime identifies values and objectives to be reached, but allows professional discretion in the formulation of plans and selection of practices to serve the values and reach the objectives.

In this new environment, the Board will reduce the emphasis on assessing compliance with prescriptive rules and focus on the effectiveness of forest practices in achieving results consistent with the values articulated and the objectives set by government. This evolution to "results-based" regulation of forest practices requires the Board to adapt its audit, complaint investigation and special investigation methods to ensure that we are assessing the degree to which desired results are being achieved by the methods being practiced on the ground. While we must adapt our investigative methods, we must also remain committed to the principles of independence, transparency and administrative fairness that are so critical to our public responsibilities.

In the coming year the Board will be placing great emphasis on working with all parties on the implementation of the new FRPA regime. In the process we will also maintain our commitments to our role as the steward of the public interest by providing the highest quality of information based on our established standards of practice, our emphasis on independent field work, and our support for the continuous improvement of forest practices. British Columbia has the opportunity to lead the world in forest management and the Board would like to make sure that it is contributing to this goal.

The 2004/05 Forest Practices Board Annual Service Plan Report compares the actual results to the expected results identified in the Board's 2004/05 Service Plan. I am accountable for those results as reported.



Bruce Fraser, Ph.D.
Forest Practices Board Chair

May 27, 2005

Highlights of the Year

1. During fiscal year 2004/05, the Board produced a number of reports that received significant public interest. The top four most popular reports, based on downloads from the Board's website, were: I*ntegrating Non-Timber Forest Products into Forest Planning and Practices in British Columbia, Implementation of Biodiversity Measures under the Forest Practices Code, BC's Mountain Caribou: Last Chance for Conservation?*, and *Evaluating Mountain Pine Beetle Management in British Columbia*, in that order.
2. Media coverage of Board reports and publications increased 47 per cent over the previous fiscal year.
3. The Board chair and staff presented Board reports and findings at seven conferences and workshops, and were guest speakers at the University of Victoria and the University of Northern BC.
4. The Board dealt with 89 concerns (where members of the public contacted the Board with a problem). Most were dealt with by asking the person to first try to resolve their concern by contacting the regulatory agency that deals with the matter. Many concerns dealt with matters that the Board has no authority to investigate. In those cases, the person was directed to an agency that did have the jurisdiction, such as the Ombudsman.
5. The Board began 24 complaint investigations; one was abandoned by the complainant and the remaining 23 proceeded.
6. The Board released the findings of nine audits.
7. In addition to three audits that were started and completed in the fiscal year, the Board conducted five new audits, including: an audit of a BCTS operation; three effectiveness audits for visual, riparian and biodiversity management systems, involving 11 licensees; and an audit of the appropriateness of government's enforcement of the Forest Practices Code and the *Forest and Range Practices Act*.
8. The Board reviewed 192 penalty determinations made by Ministry of Forests' district managers, and participated in nine appeals to the Forest Appeals Commission on behalf of the public interest.

Board Role and Services

Vision, Mission and Values

Vision

Forests that are soundly managed to sustain the full range of forest values and forest resources for British Columbians.

Mission

The Forest Practices Board serves the public interest as the independent watchdog for sound forest practices in British Columbia.

Values

The Board:

- acts on behalf of the public's interest, not those of any single group;
- is straightforward in its approach;
- emphasizes solutions over assigning blame;
- behaves in a non-adversarial, balanced manner;
- treats all people with respect, fairness and sensitivity;
- performs in a measured, unbiased and non-partisan manner;
- carries out its mandate with integrity and efficiency;
- provides clear and concise reports to the public;
- bases actions and decisions on knowledge, experience and common sense; and
- is accessible and accountable.

Board Overview, Core Business Areas

Board Overview

The Forest Practices Board was created under the *Forest Practices Code of British Columbia Act* (the Code) as an independent watchdog for the public interest in B.C.'s public forests. The Board's mandate is to audit tenure holders and government ministries for compliance with and enforcement of the Code; carry out special investigations and issue reports as the Board deems appropriate; request administrative reviews of approved forest development plans; participate on behalf of the public in reviews of penalty determinations; and participate in appeals to the Forest Appeals Commission. The Board's mandate continues under the *Forest and Range Practices Act* (FRPA) which enables the Board to

focus increasingly on the effectiveness of forest practices in achieving objectives set by government for legislated forest resource values.

Legislation ensures Board independence from licensees and the government. While the Board submits reports to the Ministers of Forests; Water, Land and Air Protection; Sustainable Resource Management; and Energy and Mines, its reports are not provided to government for revision or comment in advance of public release. When the Board deals with an audit of, or a complaint about, a government agency, that agency is entitled to the same level of information about the Board's preliminary findings as any other auditee or complaint subject.

The Board also has statutory authority to compel the giving of evidence in the course of its investigations, and it has the authority to audit and investigate government's forest practices and subsequent enforcement actions.

The Board's funding is determined directly by Treasury Board.

The Board's core business areas are:

Conducting and publishing independent public reports on forest practice audits and investigations

The Board provides the public with objective information about the state of forest practices, validates sound practices and recommends improvements based upon direct field observation, consultation and research.

Conducting complaint investigations and administrative appeals

The Board provides a venue to address public complaints and concerns regarding forest practices.

Executive and support services

The Board retains executive, professional and technical staff and support services essential to implement strategic and operational decisions, maintain its investigative capacity and provide essential infrastructure to support the Board's core business functions.

Board Operating Context

Engagement in the Process of Change

While the Board contributes to the public system of democratic checks and balances by acting as an independent auditor of the effectiveness of forest practices, it must also be an active contributor in times of major change. As the province implements the new legislation, the Board intends to work cooperatively with government land and resource agencies, industry, organized interest groups and members of the public to test the new regime. Constructive revision of the new system, evolution of forest practices science,

and development of the underlying professional relationships will all benefit from an experimental climate and an intense commitment to respectful debate.

Standards, Indicators and Methods

No area of system development is more important than improving the measurability of results. The objectives set by government, upon which forest stewardship plans (FSP) are to be based, need to be explicit enough to enable the writing of measurable results and strategies. The results and strategies specified by forest licensees in FSPs need to be measurable so that the effectiveness of operational practices can be assessed against explicit criteria. Measurability is the key to the ability of the Forest Practices Board, the compliance and enforcement agencies of government, and certification auditors to determine what is working and what needs to be improved. If forestry professionals are to have a sound basis for attributing on the ground results to practices performed in forestry operations, we will need a body of "generally accepted indicators" of performance and "standard methods of measurement of the status of indicators." The Board is committed to working with all parties to develop, test and refine this essential part of forest science.

Responding to Strategic Influences

Among many, there are four particular strategic influences on the work of the Board that are occupying our attention. The first of these is the development of private sector forest certification schemes and their increasing adoption by the British Columbia forest industry. Most of the largest forest companies are employing a combination of certification schemes and developing both internal management systems and external auditing commitments demanded by the competitive marketplace. As these proprietary systems mature, the Forest Practices Board is examining the potential for reliance on their results to reduce our work, while maintaining the independence, rigour and public transparency of our audit and investigation reports.

The second major influence is the emergence of large scale ENGO-Industry partnerships that are developing protocols and agreements that can influence the allocation and management of Crown land. Arrangements made by these partnerships, often in the context of higher level land use planning, will influence the objectives being addressed by forest licensees in their long term forest sustainability planning and short term operational planning. Convergence of values expressed and objectives set by government with those set by these "non-state, market-driven mechanisms" is not guaranteed, but is a matter of considerable public importance.

The third major influence arises from the re-allocation of tenures being undertaken by government within the Forest Revitalization Plan. The Board is anticipating an influx of new, smaller entrants, including First Nations, into the forest industry over the next few years. Many of these new entrants will be less experienced with the regulatory regime and will be less able to afford the in-house professional teams necessary to respond to the full requirements of the *Forest and Range Practices Act* and regulations or the requirements of advanced certification schemes. The Board intends to work with new entrants in a

constructive manner, so that the results of our audits and investigations are used to build capacity in a collaborative manner.

The fourth influence is the growing attention being paid to "ecosystem based management" and the need to examine forest practices against objectives that are comprehensive in nature — having to do with maintaining the environmental services of whole complex systems — and that range beyond the influence of practices on individual resource values.

Attention to Issues of Major Public Interest

While a great deal of attention must be paid to the changing regulatory environment, there are also several major forest issues of high public interest in the province. The foremost of these is the extensive impact of the mountain pine beetle, not only on current timber supplies, but also on the long term structure of the forest. The Board is actively involved in assessing the forest practices of licensees operating in beetle infested regions, particularly to examine the influence of beetle management and salvage practices on the other forest values. In the long run, along with land and resource agencies, industry and communities, the Board is concerned with the efforts to design a future forest that is more diverse and resilient.

A second major public concern is the risk of catastrophic wildfire to communities embedded in the forest. The Board's current interest in this issue is the effectiveness of land and forest productivity rehabilitation after fire control activities have been carried out. We also have an interest in the long term question of how well our forest practices ameliorate the conditions that place resource values and communities at risk.

Of great long term interest is the quality and quantity of domestic water supplies. Forest practices in domestic watersheds are destined to become an increasingly important issue. A great deal of attention is paid in Board audits and investigations to the health of streams, attention that tends to be focused on fish habitat conservation but is likely to be matched in the future by an overall societal concern for water supply.

A fourth area of focus is the management of populations and habitats for threatened species, identified under the federal *Species at Risk Act* or listed by the province. While high profile cases of individual species tend to receive major public interest, the Board is also considering the larger issues of maintaining biodiversity in all stages of forest succession and at all scales.

New Era Commitments

The Board attempts, through its work and recommendations, to further the government's *New Era* commitments. Being an independent agency charged with the monitoring of sound forest management in B.C., it was not assigned specific commitments by the Premier.

Report on Performance

Overview of Board Goals and Linkage to Government Strategic Goals

Board Mission

The Forest Practices Board serves the public interest as the independent watchdog for sound forest practices in British Columbia.

Government Strategic Goals	Board Goals
1. A strong and vibrant provincial economy.	1. Public confidence in accurate and impartial reporting of forest practices.
2. A supportive social fabric.	2. A fair and effective means to deal with public concerns about forest practices.
3. Safe, healthy communities and a sustainable environment.	3. Forest practices that are widely recognized as sound and continually improving.

Report on Results

A number of performance measures rely on the results of a public survey conducted every three years. The last survey was conducted in 2003/04. The Board will change the survey process to canvass the opinions of project file participants at the competition of projects. In this way, the Board can report yearly on the results. Although a definite level of satisfaction with the Board work cannot be determined, it is hoped that the trend will increase, demonstrating greater satisfaction with, and understanding of, the Board's work.

Goal 1

Public confidence in accurate and impartial reporting of forest practices.

Outcome/Key Indicator (Goal Level)

Level of public satisfaction with the audit, investigation and appeal performance, based on measures of public feedback. Reports are relevant and address issues of concern to the public. A public survey is conducted every third year. The last survey was conducted in 2003/04.

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
Public believes Board reports contribute to sound forest management in BC	n/a	51%	n/a	n/a
Public believes Board reports are accurate and impartial	n/a	67%	n/a	n/a

Core Business

Forest practices audits, investigations and reports.

Objective 1

A redesigned Board role in the context of the *Forest and Range Practices Act*, greater reliance on professionals and industry self-regulation.

Key Strategies 1

1. Work with government agencies in drafting legislative changes to Board role as part of the *Forest and Range Practices Act*.

Performance Measure and Results

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
A report on the redesigned role of the Board[1]	n/a	1	1	n/a

[1] This measure will no longer be tracked. The report, targeted for completion in 2004/05 was actually completed at the very end of 2003/04.

Objective 2

Independent audits of industry and government's performance to reinforce the application of sound forest practices throughout the Province.

Key Strategies 2

1. Random selection and implementation of a combination of:

- Compliance audits of major licences and the BC Timber Sales Program (BCTS).
- Area-based audits of licences, BCTS and small tenure licences in the selected area. As well, there may be an enforcement audit on the appropriateness of government's enforcement of the Code in the area.
- Annual compliance and enforcement audits pursuant to the Nisga'a treaty.

2. Active cooperation with those developing forest practices auditing and, specifically, with the various certification programs operating in B.C.

Performance Measure and Results

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2004/05 Variance
Number of quality-assured audit projects completed and published	7	8	8	9	1

Objective 3

A timely reporting process that fairly and objectively represents the general public interest.

Key Strategies 3

1. Continue to produce analyses and reports that are concise, logical and relevant.
2. Maintain reliance on professional staff to conclude reports.
3. Short timelines for completion.

Performance Measures and Results

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2004/05 Variance
Quantitative reporting on number of requests for administrative appeals, investigations, response times, costs, etc.	Reported in Annual Report.	Reported in Annual Report.	To be reported in Annual Report	Reported in Annual Report.	nil
Published audit, investigation, and appeal manuals that inform the public about the new way the Board conducts its business	3	3	3	3	0
Timeliness: Percentage of audits conducted and published within the fiscal year. Dependent on area, scope, findings and representations[1]	43%	30%	100%	38%	(62%)
Timeliness: Target to report on an investigation[1]	Under 6 months.	50% under 7 months.	80% will be completed within 7 months.	33%	(47%)

[1] The scope, findings, and representations prevented the accomplishment of the targets in 2004/05.

Goal 2

A fair and effective means to deal with public concerns about forest practices.

Outcome/Key Indicator (Goal Level)

Level of public satisfaction with the investigation and appeal performance, based on measures of public feedback. A public survey is conducted every third year. The last survey was conducted in 2003/04.

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
Level of public satisfaction with the investigation performance, based on measures of public feedback	n/a	52%	n/a	n/a
Level of public satisfaction with the appeal performance, based on measures of public feedback	n/a	47%	n/a	n/a

Core Business

Complaint investigations, administrative reviews and appeals.

Objective 1

An efficient and respectful investigation process that responds to public concerns about forest practices, validates sound forest practices, and recommends improvements where needed.

Key Strategies 1

1. Continue to carry out investigations in a logical, thorough, unbiased, and non-adversarial manner.
2. Maintain regular, forthright and transparent contact with all investigation participants.
3. Encourage resolution of public concerns.

Performance Measure and Results

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
Percentage of participants who believe that complaint investigations contributed to the resolution of issues. A public survey is conducted every third year. The last survey was conducted in 2003/04	n/a	38%	n/a	n/a

Objective 2

A review and appeal program that is responsive to concerns raised by members of the public and that fosters the implementation of the Code that is consistent with its intent.

Key Strategies 2

1. Evaluate public requests.
2. Monitor administrative decisions.
3. Initiate or participate in administrative appeals when it is in the public interest to do so.

Performance Measure and Results

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
Percentage of review and appeal participants who believe that the Board's actions in reviewing and appealing decisions further the public interest. A public survey is conducted every third year. The last survey was conducted in 2003/04	n/a	60%	n/a	n/a

Goal 3

Forest practices that are widely recognized as sound and continually improving.

Outcome/Key Indicator (Goal Level)

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual
Degree to which Board work promotes sustainable and continually improving forest practices, as evidenced, for example, by the implementation of Board recommendations. The implementation of the recommendations is not under the Board's control. The Board reports on the responses to all of its recommendations in its annual report.	Reported in the Annual Report	Reported in the Annual Report	To be reported in the Annual Report	Reported in the Annual Report

Core Business

Forest practices audits, investigations and reports; complaint investigations, administrative reviews and appeals.

Objective 1

Assessment of the efficacy of the Forest Practices Code, and the new *Forest and Range Practices Act*, in achieving desired results on the ground.

Key Strategies 1

1. Pursue legislative change to clarify the Board's mandate to evaluate and report on the effectiveness of the *Forest and Range Practices Act*.
2. Evaluate and report on the effectiveness of the *Forest and Range Practices Act* in achieving specified environmental objectives.
3. Monitor public concerns to identify key issues for consideration when setting priorities for special investigations.
4. Synthesize and report information from audits and complaint investigations that address recurrent forest practices themes.
5. Develop, field-test, and implement policies and procedures that are results-oriented.

Performance Measure and Results

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2004/05 Variance
Results-oriented and area-based reports on topics of public concern	6	3	3	8	5

Objective 2

World-class expertise in auditing and investigating forest practices.

Performance Measures and Results

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2004/05 Variance
Number of contributions at forums	n/a	11	6	7	1
Contributions to the field of forest practices auditing and investigating	Reported in the Annual Report.	Reported in the Annual Report.	To be reported in the Annual Report.	Reported in the Annual Report.	nil
Board reports referenced by others as credible sources of information about forest practices[1]	n/a	6	Requires reviewing how many times the Board's reports are referenced as credible sources in other publications.	9	n/a

[1] It is hoped that the frequency of the references continues to grow.

Deregulation

The Board is not responsible for developing, maintaining, and enhancing legislation. Its recommendations may trigger changes to legislation, but the responsibility rests with enforcing ministries.

Report on Resources

2004/05 Resource Summary

	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance (Actual minus Total Estimated)[2]
Operating Expenses ($000)					
Total	3,307	0	3,307	3,290	(17)
Full-time Equivalents (Direct FTEs)					
Total	24	0	24	22	(2)
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Total	100	10	110	110	0

[1] The Board's capital expenditures exceeded its appropriated amount by $10,000. The shortfall was covered by an allocation from the Contingency Fund.

[2] Variance display convention has been changed this year to be consistent with the change introduced in the public accounts. Variance is in all cases "Actual" minus "Total Estimates". If the Actual is greater then the Total Estimates, Variance will be displayed as a positive number.